G. R. S. 58]

Previous references.

2tc

File No. 56-15

1915-16.

Serial Nos. 36, 57

(A+9.)

Later references.

~~3tc~~ 17-16-18.
2tc 153-20-(1-25)
" 108-24-(343)

Preserve
V.S.
19.6.25

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 36 & 37.

Part B for March, 1916.

SUBJECT.

Grant of a loan of Rs. 5000/ to Mr. G. V. Karve, proprietor of the Aryan Hosiery Factory at Bangalore, to enable him to revive the industry.

Serial 57. To the Dir. of 2tc.
" " Sec'y. Ry. Conference.
" " Secy. to 2tc. Committee.
" " Comptroller.
No. 4325-8. dt 1-3-1916.

Approves of the proposal for the grant of a loan of Rs. 5000/ to Mr. G. V. Karve on certain conditions

P.W.D.—G.P.S.—20,000—15-12-15

B. N. Shivamurthy
17.5.16.

G.R.S. 11]

191 5-16

GENERAL AND REVENUE SECRETARIAT.

(479)

NOTES.

File No. 56 of 15.

FILE HEADING.

Industrial Takavi Loans

From

The Secretary D + Hee

No. 1286 Dated 10-12-15 Received 14-12-15

Diary No. 2450 Enclos. 3 Spare Copies. Serial No. 36

BRIEF ABSTRACT OF LETTER.

Submits a recommendation of the [illegible] Committee [illegible] under certain conditions the grant of a loan of Rs 5000/- to Mr. G.V. Karve Proprietor of the [illegible] Factory.

NOTES AND ORDERS.

The source from which [redacted] the amount of the loan will be have to be met is not specified. It is however presumed that it will be made available out of one lakh of rupees allotted for the grant of Industrial Takavi Loans.

NOTES—First Sheet.

GPB—15,000—15-6-12

R. S. 12]

General and Revenue Secretariat.

A+J File No. 56 of 1915-16

Serial No.

Vide A+J 35-7/15

~~[redacted]~~ (2) A Bfloder is also Branch II has to be Consulted

DS
14.4.15 RL
15/12/15

May this be sent to Br II for opinion. Thereafter

HS
15/12

The factory has stopped work. The Police have arranged some money. Under some such arrangement as the one worked by the Bir[illegible] Industries is adopted there is no possibility of reviving the concern. It would be a pity to allow it to die out. The bangles to be manufactured in the Mysore are somewhat different from those with which the market is flooded from Japan. The proposal may be sanctioned.

To Financial Secretary for favour of opinion

HS
15/12

15/12/15

NOTE—Contn. sheet.

GPB—20,000—30-6-15.

G. R. S. 12]

General and Revenue Secretariat. | A+S File No. 56 of 1915.

Serial No.

The Director has pointed out the necessity for the grant of the ~~loan~~ loan. The administrative Deptt agree to the grant. Under rule 11 of the rules for the grant of loans, the borrower has to furnish security. In this case, it has not been furnished probably on the ground that the loan amount is proposed to be paid into the Bank of Mysore and an account opened in the name of the Director.

Subd. Rule 11 appears to be
10.12.15. mandatory in character
Landed Security must
invariably be furnished in Each
Case - If this is furnished, there is no objection
the loan
to the payment of loan amount into the
Bank of Mysore in the Director's
name is intended apparently as
a Safe-guard against the claim
Creditors of Mr Kaye seizing the
amount in Satisfaction of their
unsecured dues

Br VI)

Draft ing be approved 18/12

2nd Secretary 18.12.15 14/20 12

20/12

NOTE—Contn. sheet.

GPB—20,000—30-6-15.

7150

C.4

● . R. S. 12]

General and Revenue Secretariat. | A-9 | File No. 56 | of 191 5.

Serial No.

Draft D.S.N is submitted for the orders of Govt.
21.12.15

D S N Note ab. May it be signed?
21/12

A typed copy of D.S.N is submd.
22.12.15.
22/12

On further consideration I think the matter is important enough to be considered in Council as the arrangement proposed is of a novel character

21/12

3237
22.12.15.

This may be shown to the Second Member again and brought up for consideration at the next meeting of Council.

23.12.15

Second Member)

23/12

3/12

Submitted to Council seeking their orders ab ante.

CSar Dated 3/1

31/12

There is not information enough to judge whether the transf

NOTE—Contn. sheet.

GPB—20,000—30-6-15.

General and Revenue Secretariat. | File No. of 191 .

Serial No.

action is likely to benefit anybody. What the running expenses will be & what the return, shd be known. However as the sum is small & the concern will be practically in the hands of the Director, the loan may be sanctioned — strictly on the terms stated.

7/1/16

10.1.16.

NOTE—Contn. sheet.

GPB—20,000—30-6-15.

(For disposal at next meeting)

No. C. 4

.....191....

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

SUBJECT.

(Subject for Council)

Grant of a loan of Rs.5,000 to Mr. G.V.Karve, Proprietor of the Aryan Hosiery Factory at Bangalore, to enable him to revive the industry.

CIRCULATED TO THE MEMBERS OF COUNCIL.

By Order,

D. M. Nanjappa

Secretary to Government.

8th January .....191 6.

Extraordinary Member of Council. Seen by the E-M- Dec 1911

First Member of Council. Seen by the First Member of Council.

Second Member of Council. Seen by the Second Member of Council.

GPB—1,000—28-8-14

Extract from the Proceedings of the 373rd Meeting of the Council of His Highness the Maharaja, held at Bangalore, on the 26th January 19 16.

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15. SUBJECT.- (Outside the Schedule).

Grant of a loan of Rs.5,000 to Mr.G.V.Karve, Proprietor of the Aryan Hosiery Factory at Bangalore, to enable him to revive the Industry.

OPINION OF THE COUNCIL.

A loan of Rs.5,000 may be sanctioned on proper security of immoveable property.

Sd. M. VISVESVARAYA,

DEWAN OF MYSORE.

"EXTRACT"

D. M. Narasimha Rao 27/11

Secretary to Government,
General Department.

W. D. 1364—GPB—500—14-12-15

G. R. S. 12]

General and Revenue Secretariat.

File No. of 191 .

Serial No.

Extract from the Proceedings of the Council is put up.

Forwarded with compliments to the Secretary to Government, ...Departments...of...Edn.,...and...Agriculture, for favour of necessary further action.

By Order,

D. M. Ranganathan 27/1

Secretary to Government,
General Department.

Please put up a D.S.W. to send copy of the draft order

27/1.

Hy 28/1/16.

attended to

DR 28/1/16

Hy 28/1

Please put up clean draft as

27.1

Hy 31/1

DR 31/1/16 Hy

Hy 31/1

Dewan

31/1/16

3987
31.1.16

NOTE—Contn. sheet.

W. D. 135—GPB—200—29-7-15

Submitted to His Highness.

Mr. G.V. Karve, Proprietor, Aryan Hosiery Factory at Bangalore, has applied for a loan of - - Rs.5,000/- from Government to enable him to carry on the concern, which has been closed for some time. The Director of Industries and Commerce has recommended the grant of the loan on certain conditions. The Palace have also advanced a large amount to the concern.

2. The Industries and Commerce Committee of the Economic Conference are of opinion that the loan may be sanctioned on the terms recommended by the Director.

3. The matter was considered in Council. There is no doubt that the Hosiery Industry has suffered seriously from the competition of Japan-made goods, but it is understood that thicker Banyans may be still manufactured with profit.

4. The Council are in favour of the recommendation of the Industries and Commerce Committee being sanctioned so as to give the industry one more chance of re-establishing itself.

5. A draft order sanctioning the grant of the loan applied for and specifying the conditions on which the loan is to be granted is submitted and may be graciously approved.

M. Visvesvaraya

16 Feb 1916

SPL

STATEMENT OF CASES SUBMITTED FOR THE ORDERS OF HIS HIGHNESS THE MAHARAJA DURING THE TOUR OUTSIDE THE STATE IN February **1916.**

Serial No.	Subject	Recommendation of Council, or Member of Government in charge, as the case may be	Dewan's recommendation	Orders of His Highness	Orders regarding submission of files (*vide* foot-note)
7°	Grant of a loan of Rs.5,000/- to Mr.C.V. Karve, Proprietor of the Aryan Hosiery Factory at Bangalore, to enable him to revive the industry.	Opinion of Council A loan of Rs.5,000 may be sanctioned on proper security of immoveable property.	Draft order sanctioning the grant of the loan applied for, may be approved. 16.2.16 DO SPR		"c" PM 25.2.16

NOTE.—The letter a, b or c may kindly be inserted by the Private Secretary to His Highness in the last column to indicate whether—

File may be submitted at once ... ... a
File may be submitted after His Highness' return ... ... b
File may not be submitted at all c

W D 1839—GPB—100—21-1-16

ISSUE & SECT.
for FURTHER ACTION

Record of Cases submitted for the Orders of His Highness the Maharaja

Subject.

Grant of a loan of Rs.5,000/- to Mr. G. V. Karve, Proprietor of the Aryan Hosiery Factory at Bangalore, to enable him to revive the industry.

Order.

~~KRW~~
25/2/16

Secy (Ind)
28/2/16

11/3

11/3/16

11/3/16

G. R. S. 12]

General and Revenue Secretariat.

File No. of 191 .

Serial No.

57 In the Dist. Jail G.

" " Secl. Ex. Conference.

" " " 246. Committee.

" " Comptroller.

No. 4325-8. d 1.3.910.

Approves of the proposals for the grant of a loan of Rs. 5000/- to Mr G. V. Kurve on certain conditions

NOTE—Contn. sheet

DIARY No. 2150
19-10
SECT
FILE No.
SERIAL No.

Tel: Address
At Bangalore & Mysore
"MYSECON."

No. MYSORE ECONOMIC CONFERENCE,
Dated Bangalore, 19th Decr. 1915.

A79 56-15-36

FROM P. G. D'Souza, Esq., B.A., B.L.,
Secretary to the Mysore Economic Conference,
Bangalore.

To

P. G. D'Souza, Esq., B.A., B.L.,
Officiating Secretary to Government,
Departments of Education & Agriculture,
B a n g a l o r e.

SIR,

I have the honour to forward herewith for early orders of Government copy of letter No. 1438 dated 9th December 1915, with its enclosures, from the Secretary, Industries and Commerce Committee, forwarding copy of letter No. 1160 dated the 27th September 1915, from the Director of Industries and Commerce, recommending that a loan of Rs. 5,000 be granted to Mr. G.V. Karve, proprietor of the Aryan Hosiery Factory, under certain concessions to enable him to reopen and start work in the factory that has now been shut down for over 12 months for want of working capital.

An abstract of the discussion of the Committee on the loan application is also enclosed for information.

I have the honour to be,
Sir,
Your most obedient servant,

Secretary.

CLC.

Copy of letter No. 1428 dated 9th December 1915 from the Secretary, Industries and Commerce Committee, to the Secretary, Economic Conference, Bangalore.

I have the honour to forward herewith, for the orders of Government, copy of letter No. 1160 dated the 27th September 1915 from the Director of Industries and Commerce, recommending that a loan of Rs. 5,000 be granted to Mr. G.V. Karve, Proprietor of the Aryan Hosiery Factory, under certain conditions to enable him to reopen and start work in the factory that has now been shut down for over 12 months. I enclose an abstract of the discussion on the loan application at the last meeting of the Committee, for favour of submission to Government.

Secretary.

CLG.

Proceedings of the 41st meeting of the Industries and Commerce Committee.

x x x x

Mr. Karve's application for a loan of Rs. 5,000/-

'The letter of the Director of Industries to the Chairman proposing the grant of a loan of Rs. 5,000 to Mr. Karve on certain terms to enable him to start work at the Hosiery factory was considered. The members after much discussion were of opinion that the terms suggested were sufficiently stringent to safeguard the interests of Government and that the loan may be recommended for favourable consideration.

- - - - - - - - -

E x t r a c t

C Ramanatha Rao Saheb

Secretary, Industries and Commerce Committee.

Letter No. 116 C dated the 27th September 1915 from the Director of Industries and Commerce to the Chairman, Industries and Commerce Committee.

I have the honour to forward herewith an application from Mr. Karve the proprietor of the Aryan Hosiery Factory for a loan of Rs. 5,000/- to enable him to carry on the manufacture of hosiery in his factory.

I am not prepared to recommend the grant of this loan on the ordinary conditions under which Taccavi loans are usually granted as the circumstances are of a very exceptional character. Mr. G.V.Karve has a practical knowledge of Hosiery manufacture and with the assistance of the loans from the Palace he has established a factory near Bangalore known as the Aryan Hosiery Factory. The total loans from the Palace apparently amount to Rs.20,000/- and he has also borrowed on the security of the plant Rs.1,000/- from a Co-operative Society. I enclose a letter from Mirza M.Ismail stating that the Palace is willing that the Government loan should become a first charge on the property and take precedence of the Palace loan. The machinery and plant has cost a lot of money probably fully Rs.20,000/-, but what it will be worth at a forced sale I cannot say. I do not think that it will realise much above Rs.5000/-. For the last 12 months or more, the factory has not been at work as the man has had no capital to work it and the conditions have been unfavourable. He now represents to me that if he had the working capital, he could restart the factory and make a profit on the working. This is of course the usual sanguine statement made by a man who wants to borrow money. The venture I think, is hardly good enough for a mercantile company such as the Bank of Mysore to risk their money in; but the Government of Mysore are anxious to encourage industrial enterprise and if they do not come to the assistance of this man, the Aryan Hosiery factory will eventually be broken up and the Palace will certainly not recover a single pie of the advances which they

they have made. I therefore propose the granting of a loan of Rs.5,000/- to Mr. G.V. Karve under the following conditions:--

(1) That the loan should be a first charge on the property with the exception of the mortgage of Rs.1,000/- to the Co-operative Society.

(2) That the loan shouldbe paid into an account to be opened in the Bank of Mysore in my name or in the name of some person to be nominated by Government.

(3) That Mr. G.V.Karve should be the [redacted] Manager of the Factorybut that he should have no handling of the money. Assuming that the account is opened in my name all receipts from the sale of goods will be paid into the Bank and all disbursements made under my signature. The factory will be run as an ordinary commercial concern under Mr. G.V.Karve's management but under my inspection.

(4) So long as the Government loan is undischarged Mr.G.V.Karve will receive Rs.75/- a month for his personal expenditure and profits, if any, will go to discharge the liabilities which rated against the factory including the loan I now propose should be granted to him.

To provide further floating capital advances may be obtained from the Bank of Mysore should such be necessary on ordinary commercial terms; but obviously no such advances will be made by the Bank except to me in my capacity as Trustee for the loan. These conditions are doubtless somewhat peculiar. I do not propose to take over the responsibility of the management of the factory. That I leave to Mr. Karve, but I propose to exercise some control over the expenditure and to take possession of the sale proceeds. Every six months a Balance sheet will be prepared to show the progress that has been made and at any time I propose to reserve the right to foreclose if the amount of the loan is not paid up by Mr. Karve and to take possession of the plant and machinery after discharging the loan due to the Co-operative Society. If a loan is granted on these conditions, there is just a prospect of that the factory may ultimately become a

a commercial success. If the loan is not granted to the man, it is almost certain that it will have to be broken up at once and the creditors outside the Co-operative Society will receive very little. I understand that Mr.G.V.Karve has personal debts unsecured by any lien on the factory amounting to between four and five thousand rupees and it will therefore be unwise to allow the man to have control of any money as his creditors will probably seize it at once. I recommend that the loan may be sanctioned and if it is sanctioned I think there is a fair probability that the factory may be carried on successfully.

Secretary, Industries & Commerce Committee.

27/25.8.15

FORM I.

FORM OF APPLICATION FOR LOANS FOR AGRICULTURAL AND INDUSTRIAL PURPOSES.

(Vide *Notification No. G. 2146—G. M. 55-12-240, dated 2nd September 1913.*)

Name, father's name and residence of applicant	Amount of loan required	Object for which the loan is required	Security offered							Name of the person who agrees to offer land or other immovable property as security and the nature and extent of his right in it	Rights of others in the land		Nature and extent of encumbrances, if any, in the property where land or other immovable property is offered as security	Whether any arrears are due on land or other immovable property offered as security	Proposed time of repayment	Remarks
			If personal	If land				Other immovable property								
			Name, father's name and residence of the surety	Survey No.	Extent	Assessment	In whose name registered	Extent	Description		Name, occupation and address	Nature and extent of right				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Gopalan Vadivelu Kone Vadivelu Kone Marimuthu Kone Shankaran Bangalore.	Five thousand only	For purchasing machinery			A. g.	Rs. a. p.	Self	A. G.	Factory building and machinery	Nil	The city Co-operative Society Ltd. Bangalore	Mortgage of property to one thousand rupees	Rupees twenty thousand mortgaged to the Patcar machinery and stock in trade	Nil		

Date 27 September 1915

GPB—100—30-5-14.

Signature of the applicant.

NOTE.

1. Application for a loan under these rules should be made to the Director of Industries and Commerce on Form No. I, printed copies of which will be available free of cost in all taluk offices.

2. Loans of money may be granted under these rules for any or all the purposes specified below:—

(i) Purchase and erection of machinery for agricultural or industrial undertakings, ordinarily up to a limit of Rs. 10,000 in each case.

(ii) The construction of wells and tanks, of mills, warehouses and other structures necessary for agricultural or industrial operations.

(iii) The provision of raw material, working capital or appliances, other than those specified above, required for the carrying on of industrial operations, ordinarily up to a limit of Rs. 5,000 in each case.

3. All loans granted under these rules and all other sums falling due to Government in connection therewith shall be recoverable as an arrear of land revenue.

4. The applicant will show in the column of remarks in Form No. 1—

(i) whether the applicant proposes to supplement the loan by any private capital and if so, to what extent;

(ii) the estimated total cost of the proposed work and the probable period that will be occupied in its construction.

5. The rate of interest charged on the loan shall be 6¼ *per cent per annum.*

6. Loans shall be repayable by fixed annual payments, discharging both principal and interest.

7. The time allowed for repayment shall be fixed by the Director of Industries and Commerce, subject to the limitation of a period of five years in the case of loans for industrial purposes and seven years in the case of loans for agricultural purposes.

8. If the grantee of a loan misapplies the whole or any portion of the loan or otherwise fails in any of the conditions of the grant, the whole unpaid balance of the loan with interest and costs will be liable to summary recovery as an arrear of land revenue.

9. Loans for the purchase of machinery will be sanctioned, only on the condition that the machinery is approved by the Director of Industries and Commerce or other competent professional adviser as suitable for the purpose to which they are to be applied.

10. If requested, the Department of Industries and Commerce will undertake to erect the work for which the loan is obtained at the cost of the borrower and hand it over to him in good working order and with proper accounts of the expenses incurred on his behalf.

11. The machinery purchased and the buildings, etc., erected with the loan referred to above shall be maintained in a suitable condition and working order and repairs and renewals as directed by the Director from time to time shall be carried out without undue delay.

N. B.—This is a summary of the conditions under which the loans sanctioned in Government Order No. G. 2097-145—G. M. 55-12-239, dated 2nd September 1913, are granted. For further particulars the order itself should be consulted.

G.R.S. 28]

ISSUE / SUBMIT.
for FURTHER ACTION

A+S

File No. 56 [illegible]

Serial No. 57.

Diary No. of letter replied to D 2150

Proceedings of the Government of His Highness the Maharaja of Mysore

GENERAL AND REVENUE SECRETARIAT.
( )

, *the* 191 .

Date of issue

Signed by

READ— Letter No. 1286 dated 10th Decr 1915 from the Secretary Economic Conference submitting a copy of letter No. 11428 dated 9th idem received from the ~~ORDER THEREON. No.~~ D & B. Comm giving cover to letter No. [illegible] dated 29th Sept 1915 from the Dir of I & C recommending that a loan of Rs 1000/- may be granted to Mr G. V. Kerur under certain conditions

SUBJECT.

1/3/16

to enable him to revive the Aryan Hosiery Factory at Bangalore, as well as an abstract of the discussion of the Committee on the loan application.

Order No.

Govt are pleased to approve of the proposal for the grant of a loan of Rs 5000/- subject to the following conditions as recommended by the Dir:—

(1) The loan will be a first charge on the plant and the fixture at the Factory, with the exception of the amount of Rs 1000/- already borrowed on the security of the plant from the City Coopve Society, Bangalore.

(2) The amount of the loan will

G.R.S. 27]

GENERAL AND REVENUE SECRETARIAT.

(Continuation sheet draft form.)

in the name of the Dir of St

(3) The factory will be rem as an ordinary commercia concern under her Karve's management but under the Director's inspection. All receipts from the sale of goods will be paid into the Mysore Bank and all disbursement made under the Director's signature.

(4) The Dir will exercise efficient control over the expenditure of the factory and be in possession of the sale proceeds.

(5) So long as the Govt loan remains undischarged and the factory is continued as a working concern, Dr Karve will receive Rs 75/- a month for his personal expenditure, the profits, if any, going to the discharge of the

liabilities which have accumulated against the ~~[illegible]~~ Factory, including the loan herein sanctioned.

(6) A half yearly balance sheet will be published showing the financial position of the Factory

(7) The Director will be at liberty to demand repayment of the loan at any time, should ~~[illegible]~~ the Factory be working at a loss, or other sufficient reason and foreclose, and to ~~[illegible]~~ take possession of the plant and machinery after discharging the loan due to the Corpve. Society if the amount of the loan is not paid up.

~~[illegible]~~

2. The amount of the

G.R.S. 27]

GENERAL AND REVENUE SECRETARIAT.

(Continuation sheet draft form.)

loan may be made available out of the sum of one lakh of rupees allotted for the grant of Industrial Takkavi Loans during the current year.

3. The Dir is requested to see to the successful working of the factory and to the timely discharge of the loan ~~sanctioned~~ and report at the end of every six months the financial results of the working of the Concern under the arrangement now sanctioned.

VS 31

Asstg Secy G&A 31/1/16

RL 31.1.16

To

The Dir of I & C
" Secy Ec. Confce.
" " I & C Committee
" Comptroller & Govt